

# Nevada Small Business Success

*Helping Small Businesses Start, Grow, Succeed!*

## August 2010

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Published by:  
U.S. Small Business Administration  
Nevada District Office

Bruce Hodgman  
Acting District Director  
400 South 4th Street, Suite 250.  
Las Vegas, NV 89101  
Phone: (702) 388-6611

Outside of Clark County Contact:  
David Leonard or Judith Hepburn  
(775) 827-4923

**Editor: Judith Hepburn**  
**Judith.hepburn@sba.gov**

## Credibility

Why do buyers buy? It's a simple question with a complex answer.

But this we know. The economy has an effect on what motivates customers to make that all important buying decision.

In this down economy trust and quality loom larger in the minds of potential buyers. Spending has tightened, budgets are ever shrinking as families experience lay-offs, furloughs, and businesses watch traditional revenue sources shrink and disappear - affecting business to business transactions. Simply - there is just less money to spend.

Yet, studies show consumers do not always buy the lowest priced item when times are tough. They are more likely to gravitate to what they perceive as 'tried and true.' Once they buy, they simply cannot afford shoddy quality or a bad service experience.

Buyers want to be sure that they are getting the best 'bang for their buck' and they want assurance that every company they deal with has high marks for credibility. That's why buyers are more likely to choose name brands that are already known and established.

But what if you're a small business, competing with the big guys or a new business starting up? You need to establish credibility and trust in

the minds of potential buyers in order for them to choose YOU.

Openness and honesty become extremely important. Customer service must go above and beyond – by every employee of your company - and follow-through must be relentless.

Further, we're living in an age of massive 'information dump'. Buyers are pressured from every side and from multiple media sources, everyone proclaiming to be the best with the greatest product or service. Who do you trust? Who do you believe?

Most customers don't have time to sort through all of the claims, and so what other people think becomes extremely important and travels like wild fire through social media. Friends' opinions and internet conversations take on huge significance in deciding whether a buyer will trust a small business and make that purchase.

This issue of the SBA newsletter will take up the subject of establishing credibility in the minds of your potential buyers. It's something small businesses cannot afford to ignore.

This tough economy is an opportunity to examine business practices and to shift and focus our marketing efforts on what is important to consumers - credibility.

**SBA Resource Partners**

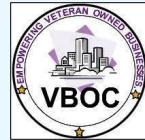
**SCORE** provides free and confidential business advice to entrepreneurs working to start new businesses and grow existing businesses. SCORE counselors are experienced business professionals who work one-on-one with clients, and their services are free.

**Nevada Microenterprise Initiative** is a non-profit corporation that provides one-on-one free counseling to very small existing and start-up businesses, with an interest in women owned businesses. NMI administers SBA's microloan program which provides direct loans up to \$10,000 for start ups and up to \$35,000 for existing businesses.

**The Nevada Small Business Development Center** (NSBDC) is a statewide resource for business assistance with a network of facilities throughout the state providing an array of services, expertise and training in all areas including starting, growth, and development of a business.



**Veterans Business Outreach Center** The VBOC provides business counseling and training to veterans. VBOC connects veteran business owners and vet owned start-ups with business development resources, and links veterans with a broad range of other services.

**What's your business credibility?**

As we sift through thousands of choices of what to buy, when to buy it and where, we face hundreds of marketing messages every day. These messages, both subtle and not-so subtle, try to influence our purchase attitudes and decisions. Experts estimate we each are exposed to over 2,500 marketing messages every day. In our own state, even one trip down the Las Vegas Strip would likely produce significantly more messages.

**We're exposed to 2,500 marketing messages ... every day!**

Yet, despite all the messages we either consciously or unconsciously see, feel or hear (or even smell!), most of us routinely shop with relatively few retailers in a rather predictable pattern. Over time, this pattern is determined by our perception of the seller, their products and services, and our experiences with both the organization and the purchase that we have made.

**Credibility drives return buyers and future purchases.**

Every business should try to reinforce not only why we should buy their products or services, but also should validate that we, the consumer, made the right decision...and will make another right decision in the future by returning to make an-

other purchase. Constantly projecting this business 'credibility' into the consumer marketplace is vital for business survival in a challenging and competitive environment.

Consumer behavior is often driven by both our rational and emotional acceptance (or rejection) of what a business is 'telling' us through their actions or inactions, their products or services, and even how we perceive their business culture. Companies that are successful in helping us 'believe' they are who and what they represent themselves to be, will enhance their business credibility...and their ability to endure the challenging business operating environment here in Nevada.

**Help your customers believe in you.**

Strengthening business credibility, especially when consumers may need added incentives to make a purchase, should be a priority for every small business owner.



**Give them the incentive to make the purchase - from YOU.**

## SBA Resource Partners



The **Rural Nevada Development Corporation** is a non-profit development corporation that serves rural counties and the Native American tribes of Nevada. RNDC is a certified Community Development Financial Institution which lends to small businesses in need of expansion or start-up financing, fixed assets purchases, and working capital in cities with a population of 50,000 or less.

The **Farm Services Agency**'s mission is to promote sustainable agriculture in Nevada. The FSA offers farm loan assistance to farmers and ranchers who have experience and want to own or operate their own farm or ranch, but who don't yet meet the qualifications to get financing from a traditional lender.



### Procurement Outreach Program

The Procurement Outreach Program (POP) helps simplify the government contracting process and cut through the red tape, connecting Nevada businesses with bid opportunities through POP. POP is a cooperative agreement between the State of Nevada and the federal government assisting businesses statewide to initiate or expand marketing efforts of their products and services.

Call 702-486-2716 in Las Vegas or 775-687-9900 in Carson City to schedule an appointment.



## Promises, Promises!

What does 'Business Credibility' mean? Simply put, Business Credibility is the result of how well a company delivers on the brand promise it projects into the marketplace.

Every business owner should identify what makes his or her business and/or products different from the competition, why those differences have value for consumers, and how that value can be communicated to the market. Commonly called a company's value proposition, this 'promise' to the market of what the company or product can do for the buyer helps establish and maintain a 'brand' that distinguishes your company from the competition.

### *What is your company's brand promise?*

For example, Toyota's brand promise was focused on reliability and safety. Yet recent events have cost millions of dollars in advertising to re-establish the credibility that was damaged.

A broken brand promise triggers both a rational and also an emotional rejection of a company and its products – and to the same degree, a brand promise that is kept generates an attraction for, and acceptance of a company or products. ***Broken brand promises do more to destroy business credibility than any other business activity.***

### *More is at stake for buyers in tough economic times.*

Harsh economic times result in consumers placing more emphasis on a company's ability to keep its brand promise, because there is more at stake in the financial commitment being made by the buyer.

For example, if disposable income has significantly dropped, and dining -out experiences are cut from three times a week to once a week, customers will expect (and even demand) that the one restaurant they visit per week will absolutely keep its brand promise...and the customer will not return if that promise is not kept.

### *Stay focused on what matters to the consumer.*

Enduring business credibility means a company stays focused on what matters to the consumer, promises to deliver, and then executes to perfection. Anything less, especially during a tight economy, will turn consumers into customers of someone else's business.

#### **Definition of credibility:**

**Credibility has two key components: trustworthiness and expertise.**

(from Wikipedia, the free internet encyclopedia)

## Small Business Success Snapshot

# BUILDING SOLUTIONS LLC.

### *From Currency to Contracting*

As owner of Building Solutions LLC in Reno, Nevada, Vickie Frankovich's goal is to drive their biggest piece of equipment – a DOOSAN 175LCV. Back in 2000, Vickie couldn't have envisioned a life filled with "big toys," as she calls them. She was completing a 21-year career with Bank of America, and felt it was time to take a new direction and start a business.



Utilizing her strengths in finance and her husband's background in construction, they formed Building Solutions in 2000. They agreed that she would learn everything her husband could teach her about construction in three years, at the end of which he would be free to pursue other business interests and she would become sole owner of Building Solutions.

Their first project was the remodel of a local museum, and "from that moment," Vickie says, "I was hooked." Vickie heard about the SBA 8(a)\* program for small disadvantaged businesses while attending a conference in 2004. Building Solutions became 8(a) certified and began to bid on government contracts. Their largest project under the program was a \$4.5 million addition to the local VA hospital. Building Solutions' revenues have grown from \$3 million a year to \$10-15 million. Vickie feels their 8(a) experience has been instrumental in their growth because 8(a) contracts helped them to build the infrastructure needed to handle larger and more complex projects.

Vickie has found that performance is king and good evaluations on past 8(a) projects have paved the way to winning other commercial and public works contracts. Vickie also credits the Nevada Procurement Outreach Program\*\* for providing education, bid opportunity alerts and help in interacting with the government. Vickie's goal (other than driving a monstrous machine) is to continue to build a strong company to serve the needs of the public and the government. She tells prospective clients that contracting with the federal government has prepared Building Solutions to accept any challenge...especially ones that initially appear to be monstrous, like the 'big toys' her company now uses.



\* The SBA 8(a) program is a business development program created to help small disadvantaged businesses compete in the American economy and access the federal procurement market.

\*\* Find Nevada Procurement Outreach Program contact information on page 3.

## Business Tip... Customer Feedback: Don't ask, don't tell.

Finding out what our customers really think about our products, services and how we treat them is as important as making a sale. Actively inviting customer feedback from day one will tell you what you're doing right, and what areas need improvement. There are five key areas that need your attention.

**Value:** Value includes features and benefits, *plus* the customer's experience in obtaining your goods and services. Price is only one piece of the decision.

**Quality:** In a difficult economy, buyers want assurance they are getting their money's worth. You can't shortcut quality and expect to be a long-term player.

**Responsiveness:** Timely response to messages, quickly answering questions, promptly dealing with complaints. All of these signal a willingness to meet your customer's need. Unmet needs mean dissatisfaction, no repeat business and no referrals.

**Ease of use:** Your customer experience must save them time, effort, aggravation and inconvenience. No hassle policies, easy-to-follow instructions, rapid checkout, easy-open packaging, a 24/7 hotline for problems and an easy to navigate website provide the kind of buying experience that brings customers back time and again.

**Personal Touch:** You've experienced it yourself. You've been lost in the phone tree, lost patience with website navigation and been passed from one person to another to another to ... you get the idea. There is no substitute for providing a human to human experience when customers need it. And every staff member should be on board and rewarded for taking excellent care of customers. This is the one, single, most important action you can take.

So - ask them. Let them tell you. Ask by mail, phone, web or best of all, face-to-face. Listen and take action. And watch your business climb as customers say good things about you, and news of your credibility spreads.

*By Judith Hepburn*



## EVENTS 2010

### eWeek Nevada is coming soon!

Nevada was built by entrepreneurs. That entrepreneurial spirit is alive today, with 95% of Nevada's companies having fewer than 20 employees. The goal of eWeek (or Entrepreneurship Week) is simple: Celebrate and encourage Nevada's entrepreneurs - and aspiring entrepreneurs. eWeek is coordinated by [NCET, Nevada's Center for Entrepreneurship and Technology](#), a statewide organization that connects Nevadans to the resources they need to succeed.

For more information, please contact NCET's Emily Somerville at [Emily@NCET.org](mailto:Emily@NCET.org) or (702) 944-9722 / (775) 853-4226

**eWeek is held in both Reno and Las Vegas.**

### RENO NCET Entrepreneur Expo

Nevada's only business-to-small business Expo  
Friday, September 17, 2010  
10 am - 6 pm  
Atlantis Casino Resort Spa, Reno  
[www.NCETexpo.com](http://www.NCETexpo.com)  
(775) 853-4226  
Free to attend

### LAS VEGAS NCET Entrepreneur Expo

Nevada's only business-to-small business Expo  
Friday, October 15, 2010  
10 am - 6 pm  
South Point Casino, Las Vegas  
[www.NCETexpo.com](http://www.NCETexpo.com)  
(702) 944-9722





## more E V E N T S 2010

### September 23rd Workshop: Reno

#### **Contracting with the General Services Administration (GSA)**

When and Where: September 23, 1:00-3:00 p.m. Washoe County Government Center, Building "C" conference room, 1001 E. 9th St., Reno. FREE. Register at [www.hsbdc.org/education/calendar](http://www.hsbdc.org/education/calendar) or call 775-784-1717. For more information: Judith Hepburn, SBA 775-827-4923.

**GSA pre-negotiates contracts with businesses like yours which other federal agencies can use to buy your goods and services. Find out how your business can contract with GSA and reach additional buyers.**

### October 14th Workshop: Reno

#### **Contracting for Small Socially and Economically Disadvantaged Businesses**

When and Where: October 14, 1:00-3:00 p.m. Washoe County Government Center, Building "C" conference room, 1001 E. 9th St., Reno. FREE. Register at [www.hsbdc.org/education/calendar](http://www.hsbdc.org/education/calendar) or call 775-784-1717. For more information: Judith Hepburn, SBA 775-827-4923.

To find out if this workshop is for you, click [this link](#) to the SBA website.

### **SCORE 'QuickSTART Series' - Las Vegas and Reno**

QuickSTART is a four-part series of workshops that uses a feasibility plan format combined with your own research and homework, and one-on-one mentoring to help you take your new business idea to a "go" or "no-go" decision. The individual sessions include: Business Concept, Marketing, Financial Projections and Funding Sources and Next Steps.

You'll find more information for the Las Vegas QuickSTART series at [www.scorelv.org](http://www.scorelv.org). Just click the seminars tab. For information about the Reno QuickSTART series, go to [www.score-reno.org](http://www.score-reno.org).

#### **Southern Nevada Microenterprise Initiative (Las Vegas)**

1600 E. Desert Inn Road, Suite 203, Las Vegas, NV 89109, (702) 734-3555.

#### **Loan Information and Orientation Session**

In this 2-hour session you will learn: lending requirements, the services we offer, and the business plan structure.

English—2nd & 4th Thursdays of each month

4:00 pm—6:00 pm

Spanish—2nd Wednesday of each month

1:30 pm—3:30 pm (At the Latin Chamber of Commerce)

#### **Northern Nevada Microenterprise Initiative (Reno)**

1301 Cordone Street, Reno, NV 89509

#### **Loan Information Session**

- Learn how to apply for a loan
- Learn successful loan packaging
- Learn borrowing and business plan basics

#### **Scheduled by appointment only.**

Contact Tamra Arellano or Iryna Ries

(775) 324-1812

[tarellano@4microbiz.org](mailto:tarellano@4microbiz.org)



## Videos! Strategies for Growth .....

### **YouTube Video 'America's Best': *they turned their Vision into Achievement***

'Work like hell and advertise,' says Columbia Sportswear owner and CEO. This video features candid comments from business owners who started small with a dream and built successful businesses. They tell about their experiences and generously share tips and advice to help you succeed. Don't miss this hearing priceless coaching from those who have 'been there, done that' and have made it work! Watch the video [here](#).

### **More YouTube Videos for small businesses**

Go [HERE](#) to choose more videos you'd like to see, visit the SBA channel on YouTube, [www.youtube.com/sba](http://www.youtube.com/sba) or find them on the SBA homepage, [www.sba.gov](http://www.sba.gov).



## SBA News

### **• Homeowners, Renters and Businesses Urged to Prepare for the Unexpected**

In the midst of another Atlantic hurricane season, the U.S. Small Business Administration and Agility Recovery Solutions have launched a new Web site to help small businesses develop an emergency preparedness plan before disaster hits, and reminding homeowners and renters to plan ahead as well. [Go here to read more.](#)

### **• Google and SBA Launch "Tools for Online Success" Partnership to Boost Small Businesses**

(SBA) and Google announced a new partnership and unveiled "[Tools for Online Success](#)," an array of online resources and training designed to help small business owners harness technology to grow their businesses. [SBA Proposes](#)

### **• SBA Proposes Women-Owned Small Business Rule to Expand Access to Federal Contracting Opportunities**

This proposed rule is aimed at providing greater opportunities for WOSBs to compete for federal contracts, while achieving the existing statutory goal that 5 percent of federal contracting dollars go to women-owned small businesses. [Go here to read more.](#)

### **• Your small business and health care reform**

Learn more about how health care reform will benefit your small business, employees and their families. [Learn more here.](#)



**SMALL BUSINESS TRAINING NETWORK:** SBTN is a virtual campus offering online courses, publications and other forms of technical assistance. Courses are self-paced and take about 30 minutes to complete. A brief online registration is required.

FINANCIAL WATCH – FISCAL YEAR (OCTOBER – June 2010 ) SBA		
Lender Name	Values # of Loans	Loan\$
<b>2010</b>		
AMERICAN BANK OF THE NORTH	1	\$250,000
BANK OF AMERICA, NATIONAL ASSOCIATION	2	\$562,500
BANK OF THE WEST	1	\$378,000
BORREGO SPRINGS BANK, N.A.	16	\$871,500
CDC SMALL BUSINESS FINANCE CORPORATION	3	\$3,184,000
CELTIC BANK CORPORATION	1	\$350,000
CITY NATIONAL BANK	3	\$430,000
COMPASS BANK	3	\$1,904,000
EDF RESOURCE CAPITAL, INC.	1	\$392,000
EXCEL NATIONAL BANK	4	\$2,445,000
FIRST ALLIANCE BANK	1	\$245,000
FIRST INTERNATIONAL BANK	2	\$3,666,600
FIRST SAVINGS BANK	1	\$805,000
FIRST SECURITY BANK OF NEVADA	1	\$47,000
FLATHEAD BANK OF BIGFORK	1	\$200,000
GROW AMERICA FUND, INCORPORATED	1	\$160,000
HANA SMALL BUS. LENDING INC.	1	\$250,000
HERITAGE BANK OF COMMERCE	1	\$1,400,000
HERITAGE BANK OF NEVADA	7	\$2,876,000
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	5	\$271,000
MEADOWS BANK	5	\$4,413,000
MORTGAGE CAPITAL DEVELOPMENT CORPORATION	7	\$2,932,000
MOUNTAIN AMERICA FCU	3	\$55,000
MOUNTAIN WEST SMALL BUSINESS FINANCE	4	\$1,884,000
NEVADA COMMERCE BANK	10	\$6,435,200
NEVADA NATIONAL BANK	3	\$405,000
NEVADA STATE BANK	21	\$4,036,000
NEVADA STATE DEVELOPMENT CORPORATION	18	\$9,550,000
PLUMAS BANK	1	\$1,115,000
SOUTHLAND ECONOMIC DEVEL CORP	1	\$262,000
SOUTHWEST COMMUNITY FCU	1	\$20,000
SUPERIOR FINANCIAL GROUP, LLC	21	\$192,500
U.S. BANK NATIONAL ASSOCIATION	32	\$5,374,500
UPS CAPITAL BUSINESS CREDIT	1	\$409,000
UNITED WESTERN BANK	1	\$993,000
VECTRA BANK COLORADO, NATIONAL ASSOCIATION	9	\$735,500
WELLS FARGO BANK, NATIONAL ASSOCIATION	34	\$13,737,400
WILSHIRE STATE BANK	2	\$730,000
ZIONS FIRST NATIONAL BANK	1	\$50,000
<b>2010 Total</b>	<b>231</b>	<b>\$74,016,700</b>